

DEMOGRAPHIC CONDITIONS INFLUENCING THE INVESTORS' PERCEPTION TOWARDS MUTUAL FUND INVESTMENT IN VIRUDHUNAGAR DISTRICT, TAMIL NADU

S. KULOTHUNGA PANDIAN¹ & Dr. S. MUTHUKRISHNAN²

¹Ph.D Scholar & Assistant Professor, Department of Commerce, Sri Kaliswari College, Sivakasi, Tamil Nadu, India. Mob. No:+91 95851 21233

²Guide & Associate Professor of Commerce, PG & Research Department of Commerce, Rajapalayam Rajus' College, Rajapalayam, Tamil Nadu, India. Mob. No:+91 99940 88813

ABSTRACT

The objective of the study is to analyze the demographic conditions influencing the investors' perception towards mutual fund investment. The study is based on the primary data i.e. collected through field survey by administering, well-structured questionnaire. The respondents were the individual investors who invest in the mutual fund. By adopting random sampling, samples of 384 respondents have been taken from the virudhunagar district. Further it is found that majority of the investors have positive perception towards mutual fund investment.

Keywords: Mutual Fund, Investors' Perception, Investment and etc.,

1. INTRODUCTION

Individual investors consider a number of factors before deciding to invest their funds in various securities involving varying degrees of risk and return. In the present economic scenario, the options available to them are different and the factors motivating the investors to invest are governed by their demographic profile including overall perception about mutual fund. In short, the investment decision making process is a multi-faceted subject to change over a period of time. An attempt will make in this study to identify the demographic factors which influence the investors to invest in mutual funds. There are a number of investment opportunities available to an investor. Each of these investments has its own risk and return features. The proverb "never put all the eggs in the same basket" guides the investor to diversify the risk.

2. LITERATURE REVIEW

Vyas and Moonat (2012) studied the perception and behaviour of mutual fund investors in Indore, Madhya Pradesh. The study was based on 363 mutual fund investors. The results revealed that most of the respondents invested in equity options with a time span of one to three years. Though 73 per cent of the investors were aware about the risk associated with mutual funds yet only 53 per cent investors analysed the risk. Lump sum investment was the most preferred mode followed by SIP. Gold was the most important option among investors and mutual funds ranked 6th in this regard. Further mutual funds got an average score on all parameters like safety, liquidity, reliability, tax benefits and high returns.

Rao and Daita (2013) in their study attempted to analyze the influence of fundamental factors such as economy, industry, and company on the performance of mutual funds. Efforts was made to carry out an in-depth

analysis of the economy through a collection of monthly data pertaining to key macro-economic variables covering a period of 228 months spread over 19 years. The casual relationship between real economic variables and their impact on statistics, correlation matrix, and Granger's causality test. To appraise the mutual fund industry various aspects such as assets under management, investor type, and product classification were studied with the help of percentage analysis.

Sundar and Prakash (2014) in their study examined the awareness among the investor community in choosing the best mutual fund scheme as it conducted a comparative analysis of the mutual funds of three AMCs. This study also showed that much information about mutual funds is not available publicly. There is no information on fund styles or comprehensive league tables to allow the comparison of mutual funds in the market.

3. OBJECTIVES OF THE STUDY

- To analyze the investors perception regarding mutual fund investment.
- To identify the problems of investors in investing their money in mutual fund scheme.
- The primary objective of the study is to understand the factors influencing the investors' mutual fund investment.
- To understand the overall perception towards mutual fund investment.

4. NEED OR IMPORTANCE OF THE STUDY

The present study analyses the mutual fund investments in relation to investors' behaviour. Investors' opinion and perception has been studied relating to various issues like type of mutual fund scheme, main objective behind investing in mutual fund scheme, role of financial advisors and brokers, investors' opinion relating to factors that attract them to invest in mutual fund, sources of information, deficiencies in the services provided by the mutual fund managers, challenges before the Indian mutual fund industry etc. This study is very important in order to judge the investors' perception in a market like virudhunagar district, where the competition increases day by day due to the entry of large number of players with different financial strengths and strategies.

5. STATEMENT OF THE PROBLEM

The study area Virudhunagar District is traditionally a business center but it is backward area in mutual fund investment. There are many governments and non government agencies are servicing in mutual fund but the awareness of the people is very low. SEBI established authorized centers to monitor mutual fund investment only in major cities in Tamil Nadu. They take many steps to increase the investors in mutual fund and share. Still, they are finding it difficult to increase the investors.

In light of above problems, a study becomes inevitable to look into the perception of mutual fund investors with special reference to some important towns in Virudhunagar district. Hence, the present study is undertaken by the researcher.

6. LIMITATIONS OF THE STUDY

- The research restricted to mutual fund investors in some major cities in Virudhunagar district like, Virudhunagar, Aruppukottai, Thiruchuli, Sivakasi, Sattur, Srivilliputtur and Rajapalayam.
- As the survey was pertaining to investment perception of investors, biased information may restrict validity of inference possible.
- This study was constrained by limitations of time.
- The present study focused on individual investors. So the data were collected from the individual investors alone.

7. RESEARCH METHODOLOGY

7.1. Research design

The research design that is adopted in this study is descriptive design. Descriptive research is used to obtain information concerning the current status of the phenomena to describe, "What exists" with respect to variables or conditions in a situation. The focus of this study was on self-reported decisions made by various investors regarding the investments in mutual fund.

7.2. Data Collection Method

7.2.1. Primary Data

Primary data is a data, which is collected a fresh and for the first time, and thus happen to be original in character. The primary data with the help of questionnaire were collected from various investors.

7.2.2. Secondary Data

Secondary data consist of information that already exists somewhere, have been collected. Secondary data are collected from company websites, other websites, company fact sheet, magazines and brochures.

7.3. Sampling Design

The sample size for this study is 384 investors who invested their funds in mutual fund investments in major cities in Virudhunagar district out of entire population. The purposive sampling method used to collect the data.

8. DATA ANALYSIS & INTERPRETATION

The following tools were used to analyse the overall perception towards mutual fund investment: Percentage and ANOVA

Table 1 DEMOGRAPHIC VARIABLES

Variables	Factors	Frequency	Percentage
Gender	Male	280	72.92
	Female	104	27.08
	Total	384	100
Age	Below 30 years	96	25.00
	31 to 40 years	144	37.50
	41 to 50 years	80	20.83
	Above 50 years	64	16.67
	Total	384	100
Educational Qualifications	Graduate	92	23.96
	Post Graduate	141	36.71
	Diploma	85	22.14
	Others	66	17.19
	Total	384	100
Occupation	Government Sector	81	21.09
	Private Sector	116	30.21
	Business	102	26.56
	Others	85	22.14
	Total	384	100
Marital Status	Married	238	61.98
	Unmarried	146	38.02
	Total	384	100
Monthly Family Income	Less than Rs. 50,000	98	25.52
	Rs. 50,000 to Rs. 75,000	152	39.58
	More than Rs. 75,000	134	34.90
	Total	384	100
Monthly Family Savings	Below Rs. 10,000	88	22.92
	Rs. 10,000 to Rs. 15,000	131	34.11
	Rs. 15,000 to Rs. 20,000	104	27.08
	Above Rs. 20,000	61	15.89
	Total	384	100
Overall Perception about Mutual Fund Investment	Very Good	114	29.69
	Good	160	41.66
	Neutral	68	17.71
	Poor	28	7.29
	Very poor	14	3.65
	Total	384	100

Source: Computed from Primary Data

Table 1 reveals that out of 384 respondents, 72.92% of the respondents are male and 27.08% of the respondents are female. In the age categories, 37.50% of the respondents are in the age group of 31-40 years, 36.71% of the respondents are postgraduates, 23.96% of the respondents are graduates and 22.14% of the respondents are diploma holders are shown in the educational status. 30.21% of the respondents are employed in the private sector, 26.56% of the respondents are doing business, and remaining 17.19% of the respondents are belongs to other category like retired persons and house wife. 39.58% of the respondent's monthly family income in the income group of Rs. 50,000 to Rs. 75,000. 34.11% of the respondent's monthly family savings in the savings group of Rs. 10,000 to Rs. 15,000. 41.66% of the respondents having good perception about the mutual fund investment. This source of data was collected by primary data collection method.

9. INVESTORS' PERCEPTION TOWARDS MUTUAL FUND INVESTMENT

Perception is a significant concept in understanding and studying the behavior of mutual fund Investors towards mutual fund Investment. Under this part, the perception of mutual fund investors have been analyzed in terms of Gender, Age Marital Status, Occupation, Educational Qualification, Monthly Income and Monthly Savings with suitable statistical tools.

Table 2 DEMOGRAPHIC CONDITIONS INFLUENCING THE OVERALL PERCEPTION OF THE MUTUAL FUND INVESTMENT (ANOVA)

Variables		Sum of Squares	df	Mean Square	F	Sig.
Gender Wise Classification of the respondents	Between Groups	1.681	4	.420	2.148	.074
	Within Groups	74.153	379	.196		
	Total	75.833	383			
Age wise Classification of the respondents	Between Groups	25.528	4	6.382	6.471	.000
	Within Groups	373.805	379	.986		
	Total	399.333	383			
Qualification of the respondents	Between Groups	10.188	4	2.547	2.474	.044
	Within Groups	390.122	379	1.029		
	Total	400.310	383			
Occupation of the respondents	Between Groups	6.736	4	1.684	1.515	.197
	Within Groups	421.261	379	1.112		
	Total	427.997	383			
Marital Status of the respondents	Between Groups	1.027	4	.257	1.088	.362
	Within Groups	89.462	379	.236		
	Total	90.490	383			
Monthly Family Income of the respondents	Between Groups	4.402	4	1.100	1.860	.117
	Within Groups	224.223	379	.592		
	Total	228.625	383			
Monthly Family Savings of the respondents	Between Groups	18.819	4	4.705	4.851	.001
	Within Groups	367.588	379	.970		
	Total	386.406	383			

Source: Computed from Primary Data

Table 2 shows that the p-value is less than 0.05 ($p < 0.05$); and the results are significant. The level of significant can be analyzed in the following table.

Table 3 ANALYSIS OF HYPOTHESIS IS

H ₀	Null Hypothesis (H ₀)	F	P	S/NS	Decision
H ₀ 1.	There is no significant relationship between gender of the respondent and the overall perception towards mutual fund investment.	2.148	.074	Not Significant	Accepted
H ₀ 2.	There is no significant relationship between age of the respondent and the overall perception towards mutual fund investment.	6.471	.000	Significant	Rejected
H ₀ 3.	There is no significant relationship between	2.474	.044	Significant	Rejected

	educational qualification of the respondent and the overall perception towards mutual fund investment.				
H ₀ 4.	There is no significant relationship between occupation of the respondent and the overall perception towards mutual fund investment.	1.515	.197	Not Significant	Accepted
H ₀ 5.	There is no significant relationship between marital status of the respondent and the overall perception towards mutual fund investment.	1.088	.362	Not Significant	Accepted
H ₀ 6.	There is no significant relationship between monthly income of the family and the overall perception towards mutual fund investment.	1.860	.117	Not Significant	Accepted
H ₀ 7.	There is no significant relationship between monthly savings of the family and the overall perception towards mutual fund investment.	4.851	.001	Significant	Rejected

S- Significant

NS- Not Significant

9. FINDINGS

- ✓ Out of 384 respondents, 72.92% of the respondents are male and 27.08% of the respondents are female.
- ✓ In the age categories, 37.50% of the respondents are in the age group of 31-40 years.
- ✓ 36.71% of the respondents are postgraduates, 23.96% of the respondents are graduates and 22.14% of the respondents are diploma holders are shown in the educational status.
- ✓ 30.21% of the respondents are employed in the private sector, 26.56% of the respondents are doing business, and remaining 17.19% of the respondents are belongs to other category like retired persons and house wife.
- ✓ 39.58% of the respondent's monthly family income in the income group of Rs. 50,000 to Rs. 75,000.
- ✓ 34.11% of the respondent's monthly family savings in the savings group of Rs. 10,000 to Rs. 15,000.
- ✓ 41.66% of the respondents having good perception about the mutual fund investment.
- ✓ H₀ 1. There is no significant relationship between gender of the respondent and the overall perception towards mutual fund investment.
- ✓ H₀ 2. There is significant relationship between age of the respondent and the overall perception towards mutual fund investment.
- ✓ H₀ 3. There is significant relationship between educational qualification of the respondent and the overall perception towards mutual fund investment.
- ✓ H₀ 4. There is no significant relationship between occupation of the respondent and the overall perception towards mutual fund investment.
- ✓ H₀ 5. There is no significant relationship between marital status of the respondent and the overall perception towards mutual fund investment.
- ✓ H₀ 6. There is no significant relationship between monthly income of the family and the overall perception towards mutual fund investment.
- ✓ H₀ 7. There is significant relationship between monthly savings of the family and the overall perception towards mutual fund investment.

10. SUGGESTIONS

- Most of the respondents are not aware of the schemes portfolio, dividends and scheme management of UTI mutual fund. To create awareness proper guidance can be given to them.
- A regulated investor friendly seminar can be organized to suit the timings of the investing public. Such seminars can be interactive sessions.
- Since the guidance and advice offered by the UTI agents are not up to the mark, the agents should be trained and they should be more conscious on advising a particular scheme.
- Efforts should be taken to popularise UTI mutual fund through appropriate publicity measures so that it reaches the rural areas and the nook and corner of the city.

- As majority of the respondents are salaried, which should be concentrated on and the company should popularize schemes like Systematic Investment Plan to increase their market penetration through promotional activities.

11. CONCLUSION

The major concern in the case of mutual fund investors is lack of sufficient knowledge in the mutual fund investment. The market position often threatens them to deviate from the investment. The size of investment and tax benefits are the major factors influencing the mutual fund investment. It would be better if there is a separate institutional arrangement for regulating the mutual fund investment activities on the line of SEBI and RBI. It leads to streamline the middle class people's savings and fulfill the requirements of the businessmen who want to invest money. It paves a way for the nation's development as well as the sound flourish of financial service activities.

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